

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET-DOMINANT PRICE CHANGE

Docket No. R2021-2

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 2-4 OF CHAIRMAN'S INFORMATION REQUEST NO. 1**

(June 14, 2021)

The Postal Service hereby responds to Questions 2 through 4 of Chairman's Information Request No. 1, issued on June 3, 2021. Each question is stated verbatim and is followed by the response. Because the Postal Service has revised three rate cells in response to Questions 3 and 4, the Postal Service is separately filing a revised version of Library Reference USPS-LR-R2021-2-3.

Respectfully submitted,
UNITED STATES POSTAL SERVICE

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June 14, 2021

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
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Periodicals

2. In Excel file "Attachment B R2021-2.xlsx," tab "Passthrough Outside County," cell "M29" is empty, resulting in no passthrough in cell "O29." Please explain why the workshare discount for Nonmachinable Automation MADC Flats was not brought into compliance with 39 C.F.R. § 3030.284, either by ensuring that the passthrough ratio is at least 85 percent or by raising the discount by at least 20 percent.

RESPONSE:

There are no avoided costs between Nonmachinable Nonautomation MADC Flats and Nonmachinable Automation MADC Flats; therefore there is no discount. The revised Attachment B filed today clarifies this.

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3. In Excel file "Attachment B R2021-2.xlsx," tab "Passthrough Outside County," cell "N33" is empty, resulting in a passthrough of 0.0 percent in cell "O33." Please explain why the workshare discount for 3-Digit Automation Letters was not brought into compliance with 39 C.F.R. § 3030.284, either by ensuring that the passthrough ratio is at least 85 percent or by raising the discount by at least 20 percent.

RESPONSE:

The Postal Service has adjusted the ADC Automation Letter and 3-Digit Automation Letter rates, as reflected in the attached revised Mail Classification Schedule pages.

The resulting passthrough is now 100%, as shown in the revised Attachment B filed today.

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4. For Periodicals Within County, each DDU entered piece receives a workshare discount of \$0.008. See Notice, Attachment A at 91. In Excel file "Attachment B R2021-2.xlsx," tab "Passthroughs_WC," cell "G22" is empty, resulting in a passthrough of 0.0 percent in cell "I22." Please explain why the workshare discount was not brought into compliance with 39 C.F.R. § 3030.284, either by ensuring that the passthrough ratio is at least 85 percent or by raising the discount by at least 20 percent.

RESPONSE:

The Postal Service has adjusted the Within County DDU Dropship discount from 8 tenths of a cent to 1 cent, as reflected in the attached revised Mail Classification Schedule pages. As a result, the discount has increased by more than 20 percent and is therefore now in compliance.

ATTACHMENT 1

**REVISIONS TO R2021-2, ATTACHMENT A: CHANGES TO MAIL CLASSIFICATION
SCHEDULE**

1305.6 Prices

In-County Automation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.156
Non-DDU	0.204

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.059	0.140
3-Digit	0.081	0.182
Basic	0.081 0.088	0.200

In-County Nonautomation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.156
Non-DDU	0.204

b. Piece Prices (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.039
Carrier Route High Density	0.055
Carrier Route Basic	0.076
5-Digit	0.184
3-Digit	0.228
Basic	0.257

Worksharing Discount for DDU

Each DDU entered piece receives a discount of ~~\$0.008~~ \$0.010.

In-County Periodicals including a Ride-Along piece

Add \$0.181 for a Ride-Along item enclosed with or attached to an In-County Periodical.

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation or Carrier Route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Seamless Incentive: Automation or Carrier Route Letters and Flats Only

Subtract \$0.001 for each piece eligible for Seamless Acceptance and prepared under the Full-Service Intelligent Mail option

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.309
3-Digit/SCF	0.333
ADC	0.333 <u>0.338</u>
Mixed ADC	0.352 <u>0.357</u>

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	0.381	0.394	0.394
3-Digit/SCF	0.485	0.513	0.513
ADC	0.525	0.566	0.566
Mixed ADC	0.579	0.633	0.633

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.543	0.545	0.545
3-Digit/SCF	0.630	0.632	0.632
ADC	0.671	0.679	0.679
Mixed ADC	0.779	0.781	0.781

e. Editorial Adjustment

A per-piece editorial adjustment is provided by subtracting \$0.00112 for each 1 percent of editorial (nonadvertising) content from the applicable piece price.